In order to formulate a long term policy, the Government had constituted an Inter-Ministerial Committee under the Chairmanship of Dr. Rangarajan to examine different aspects of pricing and taxation of petroleum products. As per recommendation of Rangarajan Committee, the pricing of petrol and diesel was changed from import parity to trade parity basis (weighted average of import and export parity price in the ratio of 80:20). The custom duty on petrol and diesel was reduced to 7.5% from 10% with effect from 16.6.06, reducing the protection of the refineries further. Thus, Government have accepted the major recommendations of Rangarajan Committee.

Demand and supply of CNG

†647. SHRI RAVI SHANKAR PRASAD:
SHRI RAM JETHMALANI:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government have decided to make CNG available in other cities keeping in view of its increasing use in transportation;

(b) if so, the details thereof; and

(c) the assessment about the demand of CNG and supply through indigenous production in the country?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) The Government's intention is to facilitate the availability of CNG in a greater number of cities. The enactment of Petroleum and Natural Gas Regulatory Board Act, 2006 and the proposed formulation of the 'Policy and development of Natural Gas Pipelines and City or Local Gas Natural Gas Distribution Networks' are steps intended to encourage public and private investment in CNG networks in cities.

CNG supply in Delhi and Mumbai is being done by Indraprastha Gas Limited (IGL) and Mahanagar Gas Limited (MGL) respectively. The Hon'ble Supreme Court identified 12 most polluted cities, *viz.*, Agra, Lucknow, Kanpur, Varanasi, Pune, Faridabad, Ahmedabad, Sholapur, Hyderabad, Bangalore, Kolkata and Chennai, where CNG has to supplied. Out of these, CNG is being supplied to Agra, Kanpur, Lucknow, Ahmedabad and Hyderabad, as

†Original notice of the question was received in Hindi.

of now; CNG would be supplied to the remaining 7 cities depending upon gas availability. Apart from this, CNG supply to the cities of Agartala and Gandhinagar is being undertaken. GAIL has also identified 15 cities where supplying CNG is seen to be a viable business proposition. Apart from GAIL, some private companies have also evinced interest in the sector.

(c) GAIL has assessed the potential demand of 22 cities, where it has planned city gas distribution projects, as 7.87 MMSCMD. The CNG consumption presently is only 2.26 MMSCMD. The gas supply was earlier at APM rate, which has been increased by 20%, *i.e.* to Rs. 3840/MSCM from June, 6, 2006; the price is slowly to be increased to market rate. Supply of gas to new city gas distribution projects would be at market determined rate.

Average price of crude oil

†648. SHRI RAM JETHMALANI:
SHRI RAJ MOHINDER SINGH MAJITHA:

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that Government gave its permission during June, 2006 to oil companies to raise the price of petrol and diesel in the country;

(b) if so, the average price of crude oil prevailing at that time during the said period in the international market;

(c) whether it is a fact that the prices of said petroleum products have continuously been fluctuating in the international market from last June to November, 2006; and

(d) if so, the average price of crude oil prevailing in international market in the first week of July, August, September, October and November, 2006 respectively?

THE MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS (SHRI DINSHA J. PATEL): (a) and (b) Yes, Sir. The prices of petrol and diesel were raised *w.e.f.* 6th June, 2006. The crude price at the time of price revisions on 6th June, 2006 was about $67/Bba for the Indian basket.

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†Original notice of the question was received in Hindi.